

TERMS OF SETTLEMENT OF FLINT WATER CASES AGAINST THE STATE OF MICHIGAN

An agreement has been reached by the State of Michigan and Plaintiffs' Counsel to settle all of the civil Flint Water Cases against the State, its agencies, and its past and current employees. This agreement was achieved after more than 18 months of intense negotiations, under the auspices of United States District Court Judge Judith E. Levy, before whom many of these cases are pending, and with the active engagement of two Court-appointed mediators, retired United States Senator Carl Levin and retired Wayne County Circuit Court Judge Pamela R. Harwood, and the efforts of the Court-appointed Special Master, Deborah Greenspan.

- The settlement requires that the State of Michigan pay \$600 million into a qualified settlement fund (the "Fund") for the benefit of those individuals, property owners, and businesses who claimed they were injured by the water distributed by the City of Flint. The Fund will be allocated among different classes and non-class groups of Plaintiffs (after payment of attorneys' fees and expenses, and settlement administration expenses, as approved by the Court) as follows:

Minor Children Settlement Categories	79.5% (64.5% for ages 6 and under at first exposure to Flint water; 10% for ages 7-11; 5% for ages 12-17)
Adults and Property Damage Settlement Categories	18% (15% for adults; 3% for property damage)
Business Economic Loss Settlement Category	0.5%
Programmatic Relief Settlement Category	2%

- The settlement requires that certain preliminary conditions must be met. Plaintiffs and the State will work in good faith, and expect to be able, to meet those conditions within the next approximate 45 days. However, if these conditions are not met within approximately 60 days, then the Plaintiffs or the State can cancel and rescind the settlement, making it null and void.
- Among other things, the settlement establishes a filing process for those who wish to submit claims ("Claimants") to a Court-approved Claims Administrator. Individuals and entities will be eligible to register claims if, at

various times during the Exposure Period (April 25, 2014 to the date the Settlement Agreement is signed), they:

- (1) owned or lived in a residence that received water from the Flint Water Treatment Plant;
 - (2) owned or operated a business that received water from the Flint Water Treatment Plant;
 - (3) ingested or came into contact with water received from the Flint Water Treatment Plant for at least twenty-one (21) days during any thirty (30) day period during the Exposure Period; or
 - (4) during the time period April 25, 2014 through December 31, 2016 were both exposed to water received from the Flint Water Treatment Plant and diagnosed with Legionnaire's Disease.
- All owners and renters of residential property in Flint who received Flint water between April 25, 2014 and July 31, 2016 will be eligible to recover property-related compensation.
 - All individuals who were minors in Flint at the time they were first exposed to Flint water during the Exposure Period will be eligible to recover compensation without proof of personal injury, with larger amounts of compensation to those who can show personal injuries, blood or bone lead levels, or who lived in homes with lead service lines.
 - Adults in Flint exposed to Flint water during the Exposure Period will be eligible to recover compensation with proof of personal injury.
 - The Fund will also provide local school districts and public school academies within the Genesee Intermediate School District with financing to provide special education services for students who lived in Flint during the Exposure Period and who require such services.
 - Special procedures will apply for Claimants who are minors or are legally incapacitated.

- Because the amount to be paid to each Claimant will in part depend upon how many filed claims are verified, the precise amount to be paid to each Claimant will not be known until the claims process is completed.
- The State, its agencies, and current and former employees will be fully released from any liability to any individual or entity who receives payment from the Fund or is otherwise covered by the settlement with respect to any civil Flint water claims. Although certain individuals and entities may opt-out or choose not to participate in the settlement, it is anticipated that most if not all the civil claims against the State, its agencies, and current and former employees will be dismissed.
- This settlement is subject to being completely documented and approved by the Court. The documentation will contain many more details than this summary.
- This settlement is structured so that defendants in the Flint Water Cases, other than the State of Michigan, its agencies, and current and former employees, may join by committing to contribute an amount approved by Plaintiffs and the State. Those amounts will increase the Fund available for distribution to the Plaintiffs. The litigation will continue against any defendants who choose not to join in this settlement, with the potential for further recovery by the Plaintiffs if they prevail at trial.
- This settlement is strongly supported by counsel for Plaintiffs and the State, who have devoted their best efforts over more than 18 months to bring this litigation to a fair conclusion.

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